



INDIANA ARTS COMMISSION

Connecting people to the arts

This program is funded by the Indiana General Assembly and the National Endowment for the Arts. Inform your community and elected officials about the importance of public arts support to your organization and its activities.

**THIS APPLICATION WILL BE MADE AVAILABLE UPON REQUEST IN LARGE PRINT, BRAILLE, AUDIO CASSETTE, OR OTHER FORMS TO MEET SPECIAL NEEDS**



*The application is also available upon request on diskette, or to download from our web site, in Adobe Acrobat or Microsoft Word for Windows.*

# Capacity Building Program for Arts Providers

## Notice of Intent

### Deadline

Feb. 15, 2001

### Application

### Deadline

April 2, 2001  
4:30 p.m. EST

### Grant Period

Between  
July 1, 2001 and  
June 30, 2003

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Indianapolis, IN 46204  
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## **ABOUT CAPACITY BUILDING AND STABILIZATION**

The Capacity Building Program is a *stabilization process* that provides IAC support, over a 24-month period, for organizational assessment, long range planning, and plan implementation utilizing a standardized assessment tool.

### ***What is Stabilization?***

“Stabilization is a long term process that holistically addresses the needs of an organization. Stabilization improves an organization’s ability to thrive in today’s changing climate by enhancing its adaptability and financial strength.”... “Stabilization encourages independent thinking instead of providing prescriptive answers.” “The desired outcome [of stabilization] is for an organization to emerge with the managerial and financial capacity to accommodate artistic risk and implement major institutional change.”

*Nancy R. Sasser  
President, National Arts Stabilization*

Stabilization had its origins in attempts to eliminate financial crisis through deficit relief and endowment giving. However, these efforts were narrowly focused, crisis driven, and addressed only specific aspects of management. Over time, similar problems re-surfaced, causing experts to re-evaluate their approach.

Consequently, in recent years, stabilization has widened its focus to look at organizational issues holistically — linking financial well being to the ability to achieve organizational change. In other words, as a result of participating in a stabilization process, an organization will develop the ability to assess its strengths, weaknesses, environmental challenges and opportunities and utilize this knowledge to adjust its plans to more effectively advance its mission.

Participants in stabilization efforts develop a better understanding of their organization’s resources, capabilities, preferences, and environment. They become more comfortable with change and more secure in their ability to anticipate and respond to the environmental challenges and opportunities.

### ***The Stabilization Process***

The stabilization process begins with a team-based strategic assessment of an organization’s health. The team usually includes a group of key managers and board members, led by an outside consultant. The assessment focuses on benchmarks in areas such as governance, planning, human resources, program, communications, facilities, financial profile, and revenue generation. When the assessment is complete, the board, staff, consultant, and key stakeholders agree on a plan of action to address the critical issues identified in the assessment. Financial support for stabilization efforts generally spans multiple years and includes grants for the assessment, plan development, and plan implementation linked to the achievement of key benchmarks.

## **WHEN TO USE THE CAPACITY BUILDING PROGRAM**

The Capacity Building Program is designed to allow arts providers to comprehensively examine their “reason for being,” mission, markets, programs, services, and governance and management structures and general operations with the aim of increased organizational effectiveness. The program is not designed to address single issue needs such as developing marketing or fund raising plans, program planning or evaluation, or feasibility studies.

Consider IAC Capacity Building Program participation (for holistic organizational analysis and improvement) when your organization fits into one of the three following categories:

1. The organization is healthy and interested in re-evaluating the organization’s mission, exploring assumptions about the organization’s service and audience, and balancing the need to ensure artistic quality and fostering participation.
2. The organization has recurring problems (i.e., deficit, staff/board turnover, poor audience participation, etc.) that may relate to overall organizational issues not specific situations;
  - The organization’s attempts to resolve recurring problems have not been successful;
  - The organization has never completed some type of overall organizational assessment;
  - The organization does not have and/or is not implementing a long range plan and/or capacity building plan;
  - The organization shows willingness for self-examination and making needed changes to improve programming and operations.
3. The organization has completed some type of overall organizational assessment in the last 5 years;
  - The organization has and is currently implementing a long range plan and/or capacity building plan; and
  - The organization wants to further strengthen its programming and operations through a process of self-examination and making needed changes.

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## **ABOUT THE INDIANA ARTS COMMISSION**

The Indiana Arts Commission (IAC), a state agency, was established in 1967 to increase the support, awareness, and outreach of the arts in communities across the state. The Commission administers and distributes funds for arts programs and services appropriated by the Indiana General Assembly and the National Endowment for the Arts (NEA).

The agency is governed by a 15-member board of directors appointed by the Governor of the State of Indiana to four-year terms. The Commission's programs and services are supported by a professional staff and over 100 Hoosier volunteers. The Commission holds quarterly business meetings throughout Indiana, which are open to the general public for observation.

### ***Members of the Indiana Arts Commission***

Sandra Neale, Chair, Chesterton	Heidi Gealt, Bloomington
Willis S. Clark, Vice-Chair, Fort Wayne	William Hopper, Vincennes
Jim Bodenmiller, Secretary, West Lafayette	Louis Ortiz, Merrillville
Jack Schriber, Exec. Committee, Evansville	S. Leonard Pas, Indianapolis
Ms. Lee Marks, Exec. Committee, Shelbyville	Ann M. Stack, Indianapolis
Kathy Beeler, Granger	Ronald J. Stratten, Indianapolis
India Cruse-Griffin, Richmond	Steven Tuchman, Indianapolis
Joan David, Evansville	

### ***Long-term goals***

The Indiana Arts Commission has established five goals:

1. Maximize public and private resources for the arts.
2. Broaden the availability of and access to a wide range of artistic expressions.
3. Strengthen the capacity of arts providers artistically, financially, and administratively.
4. Secure a significant role for the arts in economic development, education, tourism, and other high-priority areas.
5. Increase awareness of the value of the arts, especially its importance as a vehicle for lifelong learning.

### ***Grant making philosophy***

The Indiana Arts Commission recognizes the importance of public financial support to sustain a wide variety of artistic disciplines and expressions within Indiana. Grants will serve as an incentive for developing and strengthening the capacity of communities to plan and implement quality arts activities. All funding decisions will be made in open processes that meaningfully involve citizens in decisions about how state and federal tax dollars will be used to support the arts in each region and statewide.

### ***Conflict of Interest policy***

Board members, staff, and volunteers of the Indiana Arts Commission must declare conflicts of interest that may preclude their impartial participation in decisions concerning state or regional policies, services, or the allocation of statewide or regional arts funding. These individuals cannot participate in related discussions or decisions when a conflict of interest is declared. (For more information, contact the IAC.)

## ***Overview of the Indiana Arts Commission Regional Partnership Initiative***

In 1997, the Indiana Arts Commission (IAC) and 12 community-based organizations jointly established the Indiana Regional Partnership Initiative (RPI), a collaborative project to enhance support for arts and cultural activities statewide, especially in under-served areas. The partnership was developed to address issues that arose during the IAC's 1995-96 strategic planning process:

1. the desire for easy access to quality technical assistance that would further the financial, managerial, and artistic development of arts providers; and
2. the desire for more local control in the allocation of state resources for the arts.

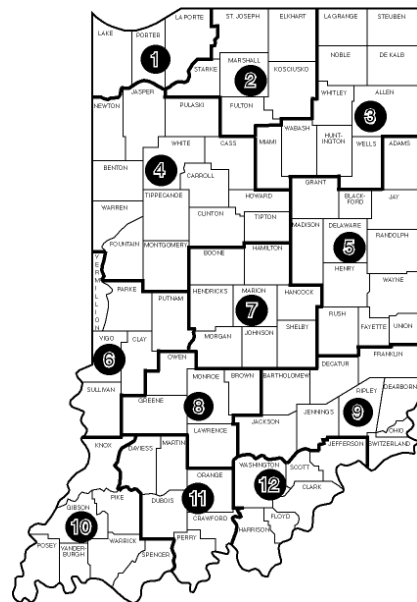
Each of the 12 Regional Arts Partners (RAPs) works in cooperation with the IAC to provide four core services to artists, arts providers, and arts consumers in a specified multi-county region of Indiana. The core services are: cultural planning, grants making, information and referral, and technical assistance. Regional cultural planning efforts began in 1998. The Regional Arts Partners use information about the needs of local artists, arts providers, and arts consumers to develop and provide services.

Beginning in 1999, the IAC provides a regional allocation of funding to all RAPs to be used for re-granting and services to arts providers within their regions. Most organizations seeking operational support or arts project funding will apply to the Regional Arts Partner which serves the county in which the applicant is located.

The IAC provides direct funding to multi-regional or statewide arts organizations, organizations requesting capacity building funds, technical assistance providers, and individual artists.

### Designated Indiana Regional Arts Partners

- Region 1: Northern Indiana Arts Association
- Region 2: Community Foundation of St. Joseph County
- Region 3: Arts United of Greater Fort Wayne
- Region 4: Tippecanoe Arts Federation
- Region 5: Arts Place (formerly Jay County Arts Council)
- Region 6: Arts Illiana
- Region 7: Central Indiana Community Foundation
- Region 8: Bloomington Area Arts Council
- Region 9: Columbus Area Arts Council
- Region 10: Arts Council of Southwestern Indiana
- Region 11: Jasper Community Arts Commission
- Region 12: Arts Council of Southern Indiana



# **ABOUT THE CAPACITY BUILDING PROGRAM FOR ARTS PROVIDERS**

## ***Program description***

The Capacity Building Program is a 24-month process that involves commitment to organizational assessment and improvement.

### **Phase I: Organizational Assessment and Planning**

The organization governing board, staff, and other key stakeholders, led by an outside consultant, must utilize the IAC Organizational Assessment Guide (which accompanies this application) to examine the agency's capacities in light of governance, management, and environment challenges and opportunities. In this phase, the team will identify the organization's strengths and weaknesses, specific areas needing improvement, and develop capacity building strategies. Phase I has two products: 1) a complete assessment report, and 2) a capacity building plan based on the assessment findings containing output, process, and outcome objectives.

- Phase I funding may **begin** no earlier than July 1, 2001.

### **Phase II: Plan Implementation**

The board, staff, and outside consultant, as needed, carry out the activities identified in the agency's capacity building plan in order to achieve governance and managerial benchmarks that will improve the organization's long term viability. Phase II products are the accomplishment of benchmarks on the timeline specified in the plan. Grantees will provide regular progress reports to the IAC to document outcomes.

Phase II funding begins after an organization submits its assessment report and capacity building plan to the IAC.

- Phase II funding may **end** no later than June 30, 2003.

## ***Grant amount***

An organization may apply for up to 75 percent of allowable project costs, or \$20,000, whichever is less, to be expended over a 24-month period. The minimum request is \$1,000. In FY2002 and FY2003, the IAC will make available a total of \$100,000 each year for the Capacity Building Program.

## ***Match requirement***

All applicants must provide at least a 25 percent match of the total expenses. Your match may be a combination of cash and in-kind (the value of necessary donated goods and services). However, at least one-half of your match must be cash.

For example:

<u>Total Two-Year Expenses</u>	<u>Maximum Two-Year Grant Request</u>	<u>Required Two-Year Match</u>	<u>Minimum Two-Year Cash Match</u>
\$40,000.	\$20,000.	\$20,000.	\$10,000.
30,000.	20,000.	10,000.	5,000.
26,667.	20,000.	6,667.	3,334.
20,000.	15,000.	5,000.	2,500.
10,000.	7,500.	2,500.	1,250.

### ***Notice of Intent to Apply***

The IAC requires any organization interested in applying to this grant program to submit a Notice of Intent to Apply form. This form can be found immediately following Page 14 of this application packet. The Notice of intent to Apply form must be delivered to the IAC office by 4:30 p.m. EST, **Feb. 15, 2001**. Late or faxed intent notices will not be accepted.

### ***Application deadline***

Applications must be delivered to the IAC office by 4:30 p.m. EST, **April 2, 2001**. Late or faxed applications will not be accepted.

### ***Grant period***

Funding will begin July 1, 2001 and end June 30, 2003.

### ***Who may apply?***

Organizations must meet five basic requirements to apply:

1. Must have arts programming and/or services as its primary mission
2. Must be a private, nonprofit, tax-exempt organization, incorporated in the state of Indiana.
3. Must have received recognition of tax-exempt status from the Internal Revenue Service (IRS).
4. Must be Indiana-based and have an Indiana address. Nonprofit corporations that are based in another state must be registered in Indiana as a Foreign Corporation, have an Indiana address, and provide arts activities in Indiana to be eligible.
5. Must be in good standing with the IAC and in compliance with all IAC requirements.

### ***What activities the grant will support***

Phase I funding can be used for all allowable expenses related to the execution of the organizational assessment, including consultant fees.

Phase II funding can be used for all allowable expenses related to implementing the Capacity Building Plan developed in Phase I.

### ***Program restrictions***

- Funding may not be used for single-issue or program planning, i.e., to develop a marketing or fund raising plan or develop a new arts program.
- The prospective consultant for Phase I must speak with IAC staff prior to submission of the Capacity Building application and before the contract between the grantee and the consultant is finalized.
- Funding may not be used for new or existing employee salaries or benefits.
- Consultants (who are paid or unpaid) utilized in conjunction with the Capacity Building Program may not be current employees, board members, or key volunteers of the applicant or family members or business associates of the same.
- Organization may not receive Capacity Building and Technical Assistance Program funding in the same fiscal year for the same activity.

IAC-funding cannot be used for the following expenses:

1. cash reserves; deficit reduction, or deficit elimination;
2. events in private dwelling places or other locations not open to the general public;
3. consumable supplies and materials not directly related to the project;



4. capital acquisitions (purchase of artwork, etc.); capital expenditures; restoration, or new construction of buildings;
5. costs of receptions, food, or beverages;
6. travel outside the United States;
7. indirect costs or underwriting for ongoing residencies or curricular programs in degree-granting colleges and universities;
8. activities not associated with arts programs and services;
9. projects to be delivered outside the state of Indiana;
10. project expenses outside the state fiscal year and grant period (July 1-June 30); and
11. activities that are solely for the purpose of fundraising, private functions, religious services, lobbying activities, or any non-public activity.

## **HOW TO COMPLETE AND SUBMIT AN APPLICATION**

### ***Getting started***

**Please read the entire guidelines, instructions, and application packet before beginning.** All organizations planning to apply for FY 2002 - FY 2003 Capacity Building funding must submit a Notice of Intent to Apply form.

### ***Required pre-application consultations***

All prospective organizations and their consultants for Phase I must consult with IAC staff prior to the submission of the CBP application.

### ***Completing the form on your computer***

You may download either the Adobe Acrobat or Microsoft Word for Windows version of the guidelines and application form from the IAC web site at [www.state.in.us/iac/](http://www.state.in.us/iac/). You may also request a diskette or e-mail version of the Microsoft Word for Windows or Adobe Acrobat guidelines and application form by calling or e-mailing the IAC.

### ***General instructions for submitting your application packet***

- All applications must be typed or computer-generated. Handwritten applications will not be accepted. Use typeface or fonts no smaller than 11-point.
- Copies should be two-sided, if possible. Make sure the photocopy is clear and easily readable.
- Submit 12 completed application sets. One of the 12 sets must have an original ink-signature on Page 1. This signature must be in ink and cannot be a photocopy or computer-generated signature.
- Staple each application packet together in the upper left-hand corner. See checklist to determine what is stapled together.
- Submit only the information requested. Including additional material will not enhance your chances of being funded. Submitting extra materials can make your application ineligible.
- It is important that the advisory panel reviewing Capacity Building applications has similar information from all applicants. Provide them with complete information about your organization and proposed organizational assessment activities by answering all the questions. Be concise, clear, and as brief as possible in your responses.
- Keep a copy of the completed application for your own files.

## **APPLICATION REVIEW PROCESS**

### ***Staff review of submitted applications***

Applicants must provide complete information on all forms, authorized signatures where indicated, assurances that the application is legally binding, and support documents (as requested) to allow for a uniform review of the application.

After you have submitted your application to the IAC, staff will review your materials to ensure that all required information was submitted. If the staff finds any discrepancies, applicants will be notified by telephone and in writing of errors that make the application ineligible for review. Applicants will have five (5) days from the date of notification to come to the Indiana Arts Commission's office in Indianapolis and personally make the necessary changes to their application, including adding, deleting, or revising information. If not corrected within the five-day grace period, applications will be ineligible for review. The IAC will dispose of ineligible applications not claimed after 30 days.

### ***Advisory panel review***

An advisory committee of the Commission will review all applications and make recommendations for funding to the full Commission.

Panel meetings are open to the public for observation and may be recorded. Applicants will be invited and are encouraged to attend. Applicants cannot interact with or lobby panel members on behalf of their applications before, during, or after the meeting.

### ***How proposals are evaluated***

Panelists will review all applications and evaluate how well they meet the following criteria:

#### **Phase I:**

1. Expected benefits and concerns of participation are clearly stated.
2. Critical issues to be addressed are clearly stated.
3. Rationale for planning approach is clearly stated.
4. There is evidence of the board's commitment to the capacity building process.
5. The consultant is qualified and appropriate for the project.
6. The organization and their consultant have discussed their application with the IAC staff.
7. The types of services to be provided by the consultant are clearly explained.
8. The consultant selection process is clearly explained and appropriate.
9. The planning team charge clearly specifies roles and responsibilities and is approved by the board.
10. The proposed composition of the planning team is appropriate.
11. The role of the full board in the planning process is clearly explained and seems adequate.
12. The project manager is qualified and appropriate for the project.
13. The steps for conducting the assessment and developing the plan are clearly stated, seem reasonable, and provide sufficient detail.
14. The target dates for completing the assessment and developing the capacity building plan seem reasonable.
15. Income and expenses are clearly stated and the budget appears reasonable.

**Phase II:**

1. IAC Organizational Assessment for Arts Organization was used.
2. Benefits from Phase I participation are clearly stated.
3. Organizational strengths and weaknesses are clearly stated.
4. Opportunities and threats are clearly stated.
5. Critical issue is clearly stated.
6. Planning team composition approximated proposed composition and was adequate.
7. Other persons who participated in the assessment and planning process were appropriate.
8. The board approved the assessment report.
9. The assessment report outlines the areas of governance and management that were evaluated. Findings, conclusions, and recommendations are clearly stated and seem reasonable.
10. The board approved the capacity building plan.
11. The plan contains specific goals, strategies, persons responsible, deadlines and benchmarks that are clearly stated, seem reasonable, and provide sufficient detail for implementation.
12. The consultant is qualified and appropriate for the project.
13. The types of services to be provided by the consultant are clearly explained.
14. The consultant selection process was clearly explained and appropriate.
15. The role of the full board in the implementation process is clearly explained and seems adequate.
16. The means for evaluating goal attainment are adequate.
17. The project manager is qualified and appropriate for the project.
18. Expenses and income are clearly stated and budget appears reasonable.

***Commission action***

The Indiana Arts Commission will review and ratify all funding recommendations for the initial 24-month period. Commission meetings are open to the public for observation and may be recorded. The Program Evaluation Committee will also review all Interim Reports and requests for Phase II funding and has the right to recommend funding adjustments to the full Commission.

***Reconsideration policy and appeal process***

The reconsideration process is designed to review the method and fairness of the IAC decision concerning a grant application. This process is not intended to impose a different panel's choices/judgment over the original panel's decision. Dissatisfaction with the denial of a grant or the amount of an award is not sufficient reason for an appeal.

Applicants may request reconsideration of a funding decision if the applicant can demonstrate:

1. the panel or review team used incorrect review criteria; and/or
2. there was influence by an IAC staff person or IAC volunteer panelist having a conflict of interest; and/or
3. required information submitted by the applicant was withheld from consideration.

Applicants must send a formal letter to the IAC Executive Director stating the reason for reconsideration, based on one or more of the three points above, and evidence of the grounds for the appeal. The letter must be received in the IAC office within 30 days of notification of the IAC grant award in question.

An appeals committee, appointed by the IAC Chair, will review all requests for appeal and make recommendations to the full Commission at its next business meeting. All decisions of the Commission are final and may not be appealed further.

## **WHAT HAPPENS AFTER A GRANT IS AWARDED?**

### ***Notification of your grant award***

All applicants will be notified in writing of grant decisions after the Commission meets and approves the grants (June 2001). Grantees will receive a notification packet containing an award letter, a Grant Agreement, and other pertinent materials that must be completed, signed and returned to the IAC before a first payment can be processed.

### ***Acknowledgment and credit of public funding***

Broad public visibility of the success of Indiana's artists and arts organizations is essential. By promoting yourself, your activity, and your state-funded grant, you are working to strengthen the role of the arts in Indiana. You are demonstrating to the community the impact of the arts and how the money legislators have allocated for the arts is being well spent.

One important way you can demonstrate the importance of public funding for the arts is to credit the Indiana Arts Commission and the National Endowment for the Arts in all publicity and printed materials associated with your funded activities. For recipients of an organizational support grant, this means all activities and programs of the organization. It is important that we have help from the major arts organizations in the state as we work to promote and encourage the arts in Indiana.

All publicity or programs, electronic and printed, must contain the IAC logo and the following credit line: **Provided with support from the Indiana Arts Commission, a state agency, and the National Endowment for the Arts, a federal agency.**

The credit logo is supplied to all grant recipients on coated stock. Various sizes are supplied for different uses. It is also available on diskette by request, or you can download it from the IAC web site at [www.state.in.us/iac/](http://www.state.in.us/iac/). The logo must be reproduced as a unit without alteration.

### ***How to use the IAC logo and credit line***

There are ways to incorporate the credit language and logo into your publicity and informational materials. Including this information in as many places as possible helps your community understand the impact of public funding of the arts. Below are some specific requirements:

#### **Promotional Materials**

Grantees must credit the IAC and the NEA in printed materials (including newsletters, catalogs, brochures, announcements, invitations, and press releases), films and video tapes, electronic transmissions (including Internet sites), and non-written announcements (such as audio descriptions for people who are sight-impaired) regarding all activities for which Commission funds are used. Grantees receiving organizational support must credit the IAC and NEA in all promotional materials.

#### **Programs**

Grantees must credit the IAC and the NEA on the title page of printed programs, in a type size no smaller than 8-point. Also, list the Commission in the donor category most appropriate to the level of financial support your organization is receiving.

During the two-year period of your grant, the IAC will develop an advertising campaign. When this is completed, performing arts organizations that receive \$50,000 or more in total IAC operating support funding in any fiscal year shall provide one full page of advertising space in all season programs. The Indiana Arts Commission will provide camera-ready art when it is available.

Performing arts organizations that receive less than \$50,000 in total IAC operating support funding in any fiscal year shall provide one-half page of advertising space in all season programs. The Indiana Arts Commission will provide camera-ready art when it is available.

#### Educational Materials

Grantees must credit the IAC and the NEA in all educational materials (including brochures, pamphlets, flyers, postcards, etc.) distributed in association with any IAC-funded program or exhibition. Grantees receiving organizational support must credit the IAC and NEA in all educational materials.

#### Web Sites

Organizations must use the IAC credit logo on their web sites — along with a hyperlink back to the IAC web site. Grantees receiving organizational support must place the IAC credit logo on the front page of the organization's web site or on the page where other sponsors are listed. For project support, the IAC credit logo must appear on the web page that corresponds to the IAC-funded project.

#### Advertising

Grantees must credit the IAC and the NEA in all project-related print (including billboards) and/or electronic advertising (including television and the Internet).

#### News Releases

News releases must credit the IAC and NEA support. A sample support statement could be: **This project was supported by the Indiana Arts Commission, with funding from the State of Indiana and the National Endowment for the Arts.**

#### Promotional Appearances and Interviews

On television and radio appearances by your representative(s), verbally acknowledge, at least once during a broadcast, the support your organization received from the IAC and the NEA toward your project or overall operation. Also, you should acknowledge the IAC and NEA support in any newspaper, magazine, or on-line interviews about your organization's program(s).

#### Verbal Credit

When written credit is not applicable, such as when there is no printed program, give verbal credit prior to each performance or activity. If an announcement is not feasible, consider a sign in the lobby or activity space.

### ***Grant Agreement***

The Grant Agreement is your official contract with the Indiana Arts Commission. Capacity Building grantees will be issued one Grant Agreement for the biennium. Read this document carefully as you will be responsible for meeting all the terms and conditions it contains. The Grant Agreement must be signed by the board chair, president, or executive director and returned to the IAC. Your signed Grant Agreement will be reviewed by three other state agencies – The Department of Administration, the Budget Agency, and the Attorney General's office. This is standard procedure and usually takes anywhere from one to two months to complete. When all state official signatures have been affixed to the document, a copy of the fully executed agreement will be sent to you. The original is kept on file at the Indiana Arts Commission. The IAC will not recognize any contractual obligation to an organization without a fully executed copy of the Grant Agreement on file.

### ***First grant payment***

The first payment of your grant will be for 90 percent of the Phase I grant allocation. The payment will be mailed to you after your Grant Agreement has been approved by all three state agencies. In general, it takes two months from the time you submit your correctly completed Grant Agreement until the IAC mails your first payment. We will do everything we can to keep this amount of time as short as possible.

### ***Project changes and modifications***

During the period of time covered by the Grant Agreement, you must give the IAC prior written notice of any major changes that may affect the funded project, such as significant changes in budget, personnel, dates, scope of activities, etc. Changes that significantly alter the scope of intention of the project will not be approved. You may be required to return all or a portion of your grant money to the IAC.

### ***Interim Report***

Each Capacity Building grant recipient must submit Interim Reports every six months after the start of Phase I. This report form will be included in your grant notification packet. The Interim Report will report on the accomplishments, challenges and benefits of your capacity building activities to date.

### ***Second and third grant payments***

The second payment will be for the balance of the total Phase I allocation (the final 10 percent) and will be made following receipt and approval of the Phase II application update, which will include the assessment report and the capacity building plan.

The third payment will be for 90 percent of Phase II grant allocation and will be made following receipt and approval of the Phase II application update, which will include the assessment report and the capacity building plan. The second and third grant payments might be combined into one check.

### ***Final Grant Report***

All Capacity Building grantees must submit a completed Final Grant Report one month after the ending date of the grant, and no later than July 31, 2003. Your exact due date can be found on Page 1 of your Grant Agreement. The Final Grant Report form will be mailed to you in your grant notification packet. It will include: reporting on the activities and programs that were carried out during the second year of the biennium; a complete, detailed financial accounting that indicates how state, local, and/or private funds were expended; and information on the outcomes and results of the project, including statistical information about the numbers of people served and geographic areas served.

### ***Fourth grant payment***

The fourth and final payment will be for the balance of the total Phase II allocation (the final 10 percent) and will be made following receipt and approval of the Final Grant Report.

### ***Records retention***

Grantees must provide access to any books, records, documents and papers pertaining to the grant for purposes of program or financial review by the IAC or its agents. Adequate records need to be maintained to substantiate all financial and program information reported to the IAC for a period of no fewer than three years.

### ***Monitoring***

The Indiana Arts Commission will monitor the assessment process and activities funded through this category. You will be advised if your organization has been selected for a random field audit.

## **CONDITIONS AND REQUIREMENTS**

### ***Public manifestation***

There must be a public manifestation of all funded activities within the year they are supported. "Public manifestation" means the project must result in a product or activity that is available to the public. "Available" means activities must be accessible to persons with special needs and open to the audience, participants, or public, either free or by reasonable admission or service charge.

## **Civil Rights**

The Indiana Arts Commission complies with all state and federal laws and regulations concerning civil and human rights and must assure that programs, awards, and employment practices are free of any discrimination based on race, color, national origin, physical disability, religion, gender, or age.

*Your signed grant application and Grant Agreement indicates that your organization understands and is in compliance with these laws:*

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200d) which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance.
- Title VII of the Civil Rights Act of 1964 (42 U.S.C. 200e) as amended by the Equal Opportunity Act of 1972 (Public Law 92-261).
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706) provides that no otherwise qualified handicapped individual in the United States, as defined in the law, shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal assistance.

*The term “handicapped individual” means “any person who (a) has a physical or mental impairment that substantially limits one or more of such person’s major life activities, (b) has a record of such an impairment, or (c) is regarded as having such an impairment.”*

- Americans with Disabilities Act of 1990 which provides for nondiscrimination in public accommodation on the basis of disability.
- Title IX of the Education Amendments of 1972 which provides that no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving federal assistance.
- The Age Discrimination Act of 1975 which provides for nondiscrimination in federally assisted programs on the basis of age.

## **Drug-free workplace**

The Drug Free Work Place Act of 1988 requires that employees of the grantee not engage in the unlawful manufacture, distribution, dispersion, possession, or use of controlled substances in the grantee’s workplace or work site.

## **Fair Labor Standards**

Applicants must follow Fair Labor Standards which provide that all professional performers and related or supporting professional personnel employed on projects or productions that are financed in whole or in part by this grant will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for people employed in similar activities.

No part of any project or production that is financed in whole or in part under this grant will be performed or engaged in under working conditions that are unsanitary, hazardous, or dangerous to the health and safety of the employees engaged in a project or production. Compliance with the safety and sanitary laws of the state in which the performance or part thereof is to take place shall be prima facie evidence of compliance.







**INDIANA ARTS COMMISSION**

Connecting people to the arts

Indiana Arts Commission  
402 W. Washington St., Room W072  
Indianapolis, IN 46204-2741  
317/232-1268 ■ 317/233-3001 TTY  
arts@state.in.us ■ www.state.in.us/iac/

**NOTICE OF INTENT TO APPLY**

**FY 2002 – FY 2003**

**Capacity Building Program for Arts Providers**

All organizations intending to apply for FY 2002 – FY 2003 funding in the Capacity Building grant category must submit this notice to the IAC by 4:30 p.m., Feb. 15, 2001. Submitting the intent form does not require the organization to submit an application.

All potential applicants and consultants must discuss the Capacity Building Program with the IAC before a full application is submitted.

---

**ORGANIZATION LEGAL NAME:**

**MAILING ADDRESS, CITY, STATE AND ZIP+4:**

**NAME OF APPLICATION CONTACT PERSON:**

**CONTACT TITLE:**

**CONTACT TELEPHONE** (include area code):

**FAX:**

**E-MAIL:**

---

The above named organization intends to apply for FY 2002 – FY 2003 IAC support in the Capacity Building Program for Arts Providers grant category.

---

Authorizing Official

---

Date

---

Mail completed form to:

Indiana Arts Commission  
Attn: Bobbie Garver and Gayle Holtman  
402 W. Washington St., Room W072  
Indianapolis, IN 46204-2741

---





INDIANA ARTS COMMISSION

Connecting people to the arts

Indiana Arts Commission  
402 W. Washington St., Room W072  
Indianapolis, IN 46204-2741  
317/232-1268 ■ 317/233-3001 TTY  
[arts@state.in.us](mailto:arts@state.in.us) ■ [www.state.in.us/iac/](http://www.state.in.us/iac/)

Please type or computer-generate your answers. Handwritten applications will not be accepted. Provide all information and answer every question.

**Applicant Legal Name:**

**Address** (street, city, state, ZIP+4):

**County:**

**Telephone:**

**FAX:**

**E-mail/Web site address:**

**Application Contact Person** (Name, Title, Address, Telephone, FAX, e-mail)

**Authorizing Official** who signs application (Name, title, and telephone)

**Federal Employer Identification Number:**

**Legislative Districts:** Based on your street address, enter one legislative district number for each of the government branches listed below. The Indiana Arts Commission is the recipient of funds from the State and Federal government and will use the information below to notify your legislators of the results of all IAC funding decisions. If you do not know your correct district numbers, contact your county voter registration office (visit [www.state.in.us/sos/elections/iec/docs/Q&A.html#counties](http://www.state.in.us/sos/elections/iec/docs/Q&A.html#counties) for a listing) or go to [www.vote-smart.org/index.phtml](http://www.vote-smart.org/index.phtml) to find the information based on your ZIP+4. **Do not leave this question blank.**

Indiana House # \_\_\_\_\_ Indiana Senate # \_\_\_\_\_ U.S. Congress # \_\_\_\_\_

**COMPLIANCE STATEMENT** - *The undersigned certifies that s/he (1) is a principal officer of the Applicant with authority to obligate it, and (2) has read the guidelines incorporated herein by reference, and (3) will comply with all guidelines, including federal and state statutes prohibiting discrimination against any person on the basis of race, color, national origin, gender, age, religion, or physical or mental disability. The organization understands that it may not apply for state or federal funding from both the IAC and any Regional Partner Organization in the same fiscal year.*

Signature, Chief Executive Officer

Date Signed

Signature of Authorizing Official

Date Signed

## Applicant Name:

The application is designed to provide information about your organization and its current organizational status as well as detailed information about your proposed assessment and planning activities.

Support materials that need to be submitted with your application are listed in these two sections. Submit only the requested materials. Clearly label all required attachments.

Answer the questions in the space provided. Use typeface or fonts no smaller than 11-point. Enter your organization's legal name at the top of each page.

## APPLICANT PROFILE

This section will help the advisory panel understand basic information about your organization. In the space provided, please answer the following:

- Mission statement:

- Date established: \_\_\_\_\_ Date incorporated: \_\_\_\_\_

- Date received IRS tax-exempt status: \_\_\_\_\_

- Organization's fiscal year: \_\_\_\_\_ to \_\_\_\_\_

- Arts-related agency budget:

	<u>Last Year</u>	<u>Current Year</u>	<u>Next Year</u>
Income	_____	_____	_____
Expenses	_____	_____	_____
Surplus/deficit	_____	_____	_____

- Full time equivalent (FTE) staff: \_\_\_\_\_

- Facilities (check one):

☐ Owns arts-related facilities  
☐ Rents arts-related facilities  
☐ Other: (specify)

- Long range planning (check one):

☐ Long range plan being implemented  
☐ No long range plan  
☐ Other: (specify)

**Applicant Name:**



**ATTACH** the following documents to provide further information about your organization:

If you are a first-time applicant to the IAC, or if your organization has changed its legal name, or other changes have been made since these documents were last submitted to the IAC, you are required to submit a new copy with your application. You will submit **ONE COPY** of the following:

**UPDATE IF NEEDED**

1. **Articles of Nonprofit Incorporation** — If needed, request a duplicate copy from the Secretary of State's office at 317/232-6576.
2. **IRS Tax-exempt Status Letter**

All applicants are required to submit **12 COPIES** of the following documents with their Capacity Building application. You will attach a copy to each application set so that all advisory panelists can review this information.

3. **Annual Financial Statement** — All applicants must provide an un-audited financial statement for the most recently completed fiscal year. This item is not the same as the audit. A financial statement is a public document that indicates the financial status of your organization at the close of the fiscal year. It should reflect information for the entire fiscal year, including individually categorized income and expenses, and beginning and ending fund balances. It is most helpful when it compares actual income and expenses to either budgeted amounts for the same year or actual amounts for the previous year.
4. **Governing Board Roster** — All applicants must provide current information about their governing board, including members' offices, terms of service, community positions, and mailing addresses. Identify members of the Executive Committee.

**NOTE:** See Page 6 of the Phase I application form for additional attachments that are required to detail your assessment and planning activities.

**PROPOSED CAPACITY BUILDING ACTIVITIES — PHASE I**

This section requests information about your assessment and planning activities. The IAC will use this information to determine the applicant's readiness for, and commitment to, the capacity building process. Provide all requested information on the pages provided. Do not attach additional pages.

1. **What are the benefits you expect from participation in the Capacity Building process? What are the concerns you have about participating in the CBP process?**

**Applicant Name:** \_\_\_\_\_

**2. What are the critical issues you hope participation will help to address?**

**3. Describe the planning approach you will use to complete the organizational assessment. Why did you select this planning approach?**

**4. Phase I consultant's name:** \_\_\_\_\_

Dates applicant organization and the consultant discussed the IAC Capacity Building Program with staff: \_\_\_\_\_

**5. Describe the process you used to select the consultant. How many prospective consultants were considered? Why is the one your selected the most qualified?**

**6. When did the board approve the planning team charge?** \_\_\_\_\_

**Applicant Name:** \_\_\_\_\_

**7. Who will be on the planning team?**

Number of prospective team members:

\_\_\_\_\_ Board members  
\_\_\_\_\_ Executive director  
\_\_\_\_\_ Other staff  
\_\_\_\_\_ Consultant  
\_\_\_\_\_ Other key stakeholders  
(e.g., funders, community leaders, artists, etc.)

**8. In addition to the planning team, what other people will be involved in the assessment or in developing the plan? For example: full board, funders, members, etc.**

**9. How will the full board be involved in the assessment and plan development process?**

**10. Who within your organization will manage the overall assessment and planning effort? Why was this person selected?**

**11. Who will lead or chair the actual planning meetings, the team leader or the consultant?**

**Applicant Name:** \_\_\_\_\_

**12. What Phase I expenses will IAC funds support?**



**ATTACH 12 copies** of the following documents to provide further information about your planned Phase I assessment and planning activities. You will attach a copy to each application set so that all advisory panelists can review this information.

1. **Project manager's resume**
2. **Consultant's resume** — Provide a resume, bio, or vitae of each consultant who will be engaged. This item must show how the consultant is qualified to carry out the project, including evidence of previous related experience in organizational assessment. The consultant for Phase I must be selected and have participated in an IAC consultation session prior to submitting the Phase I application.
3. **Consultant's proposal for Phase I** — Provide the bid proposals of each consultant who will be engaged. This item must outline the consultant's proposed actions and fees and must specifically address discrete CBP activities (i.e., organizational assessment, capacity building plan, etc.) not generic long range or strategic planning activities. (See Appendix B for sample.) The proposal of the consultant selected for Phase I must be submitted with the Phase I application.
4. **Planning team charge** — This document describes the role and responsibilities of the assessment planning team, showing the date the team charge was approved by the board. (See Appendix D for sample.)
5. **Planning timetable for Phase I Capacity Building activities** — Describe the task, deadline for execution, and the primary parties responsible. (See Appendix E for sample.)

**NOTE:** See Page 3 of the Phase I application form for additional attachments that are required to provide information about your organization.



**Applicant Name:** \_\_\_\_\_

## **BUDGET SUMMARY – PHASE I**

Complete the budget chart below to indicate the income and expenses you have budgeted for both Phase I and Phase II Capacity Building activities. Round all figures to the nearest dollar; no decimals. If you would like a definition of any of the categories below, contact the IAC.

Projected Expenses	Phase I	Phase II	Total
1. Personnel-Administrative			
2. Personnel-Artistic			
3. Personnel-Technical/Production			
4. Outside Artistic Fees/Services			
5. Outside Other Fees/Services			
6. Space Rental			
7. Travel/Transportation			
8. Marketing/Promotional			
9. Remaining Operating Expenses			
10. Capital Expenditures-Acquisitions			
11. Capital Expenditures-Other			
12. Total Cash Expenses			
13. Total In-Kind			
14. TOTAL EXPENSES			
Projected Income	Phase I	Phase II	Total
15. Admissions			
16. Contracted Services Revenue			
17. Other Revenue			
18. Corporate Support			
19. Foundation Support			
20. Other Private Support			
21. Gov't Support-Federal			
22. Gov't Support-Regional/State			
23. Gov't Support-Local			
24. Other Applicant Cash			
25. Total non-IAC/CBP (lines 15 - 24)			
26. IAC/CBP Request			
27. Total Cash Income (25 + 26)			
28. Total In-Kind (same as 13)			
29. TOTAL INCOME			

## **BUDGET LINE ITEM DETAIL**



Provide a detailed line-by-line breakdown of the budget, identifying what expenses and income (by source) are included in each segment of the budget above. The explanation must provide sufficient detail so that the reader can easily understand how costs were determined and what are the expected sources of support (in addition to the IAC grant). Follow the same sequence as the chart above.



**WHAT TO SUBMIT – CHECKLIST FOR PHASE I APPLICATIONS**

**Notice of Intent to Apply deadline: February 15, 2001**  
**Application deadline: April 2, 2001**

Applicants must provide complete information on all forms, authorized signatures where indicated, assurances that the application is legally binding, and supporting materials (as requested) to allow for a uniform review.

Submit requested materials only. Please do not submit additional materials that have not been requested. Submitting additional information can make your application ineligible. Unless specified, copies should be two-sided with all pages labeled and numbered. Staple each application packet together in upper left-hand corner.

---

**NUMBER OF COPIES**

For each item, if the number of required copies is not specified, provide 12 copies. Items identified as “1-copy” should be placed with the application containing the original signature of the authorizing official.

---

**ALL APPLICANTS** should provide:

- ☐ 1. Articles of Nonprofit Incorporation (1 copy) - This item must be submitted by first-time applicants or if it has been revised since last submitted to the IAC.
- ☐ 2. IRS Determination Letter of Tax Exempt Status (1 copy) - This item must be submitted by first-time applicants or if it has been revised since last submitted to the IAC.
- ☐ 3. Application (printed pages 1 through 8).
- ☐ 4. Annual financial statement for most recently completed year.
- ☐ 5. Governing board roster with names, offices, terms of office, addresses, and affiliations.
- ☐ 6. Resume of project manager
- ☐ 7. Consultant’s resume, bio, or vitae.
- ☐ 8. Consultant’s proposal for Phase I
- ☐ 9. Planning team charge
- ☐ 10. Planning timetable for Phase I



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PLEASE TYPE OR COMPUTER-GENERATE. Handwritten applications will not be accepted. Provide all information and answer every question.

**Applicant Legal Name:**

**Address** (street, city, state, ZIP+4):

**County:**

**Telephone:**

**FAX:**

**E-mail/Web site address:**

**Application Contact Person** (Name, Title, Address, Telephone, FAX, e-mail)

**Authorizing Official** who signs application (Name, title, and telephone)

**Federal Employer Identification Number:**

**Legislative Districts:** Based on your street address, enter one legislative district number for each of the government branches listed below. The Indiana Arts Commission is the recipient of funds from the State and Federal government and will use the information below to notify your legislators of the results of all IAC funding decisions. If you do not know your correct district numbers, contact your county voter registration office (visit [www.state.in.us/sos/elections/iec/docs/Q&A.html#counties](http://www.state.in.us/sos/elections/iec/docs/Q&A.html#counties) for a listing) or go to [www.vote-smart.org/index.phtml](http://www.vote-smart.org/index.phtml) to find the information based on your ZIP+4. **Do not leave this question blank.**

Indiana House # \_\_\_\_\_ Indiana Senate # \_\_\_\_\_ U.S. Congress # \_\_\_\_\_

**COMPLIANCE STATEMENT** - *The undersigned certifies that s/he (1) is a principal officer of the Applicant with authority to obligate it, and (2) has read the guidelines incorporated herein by reference, and (3) will comply with all guidelines, including federal and state statutes prohibiting discrimination against any person on the basis of race, color, national origin, gender, age, religion, or physical or mental disability. The organization understands that it may not apply for state or federal funding from both the IAC and any Regional Partner Organization in the same fiscal year.*

Signature, Chief Executive Officer

Date Signed

Signature of Authorizing Official

Date Signed

**Applicant Name:**

## PROJECT INFORMATION – PHASE II

These pages should only be completed by organizations who are awarded an IAC Capacity Building grant and who have completed Phase I Capacity Building activities. Submit this information after your board has adopted the Capacity Building Plan. These pages request information about the results of your assessment process and your intended Capacity Building Plan implementation activities. The IAC will use this information to assess the applicant's process in the Capacity Building process prior to releasing Phase II funds. Provide all requested information on the pages provided. Do not attach additional pages.

- 1. What benefits were achieved from participation in Phase I of the Capacity Building process?**
- 2. What major organizational strengths and weaknesses did you identify in Phase I? (Consider staff, expertise, money and other resources)**
- 3. What opportunities and threats did you identify in Phase I? (Consider needs of customers, stakeholders; potentials competitors and allies; and social, cultural, economic, political, and technological forces)**

**Applicant Name:** \_\_\_\_\_

**4. What is the most critical issue for the future that you identified in Phase I?**

**5. What planning approach did you use?**

**6. Who served on the planning team? (Provide name and affiliation)**

**7. Who, in addition to the planning team, helped with the assessment and plan development? How did they help?**

**8. When did the board approve the assessment findings?** \_\_\_\_\_

**9. When did the board approve the implementation plan?** \_\_\_\_\_

**10. Phase II consultant's name:** \_\_\_\_\_

**Applicant Name:**

---

**11. If the Phase II consultant is different from the one used in Phase I, describe the process you used to select the new consultant. How many prospective consultants were considered and why is the one you selected the most qualified?**

**12. Who within your organization will manage the overall plan implementation effort? Why was this person selected?**

**13. How often will the full board review plan implementation progress? How will they do this?**

**14. How will you know when plan objectives have been met?**

**Applicant Name:**

---

**15. What Phase II expenses will IAC funds support?**



**ATTACH 12 copies** of the following documents to provide further information about your planned Capacity Building Phase II activities. You will attach a copy to each application set so that all advisory panelists can review this information.

1. **Organizational assessment report** — Provide the report that details the findings of the organizational assessment, showing the date it was approved by the board.
2. **Capacity Building implementation plan** — Provide the capacity building plan resulting from the organizational assessment, showing the date it was approved by the board.
3. **Project manager's resume**
4. **Consultant's resume** — Provide a resume, bio, or vitae of each consultant who will be engaged. This item must show how the consultant is qualified to carry out the project, including evidence of previous related experience in organizational assessment. The consultant for Phase II must be selected prior to submitting the Phase II application.
5. **Consultant's proposal for Phase II** — Provide the bid proposals of each consultant who will be engaged. This item must outline the consultant's proposed actions and fees and must specifically address discrete CBP activities (i.e., organizational assessment, capacity building plan, etc.) not generic long range or strategic planning activities. (See Appendix B for sample.) The proposal of the consultant selected for Phase II must be submitted with the Phase II application.
6. **Planning timetable for Phase II Capacity Building activities** — Describe the task, deadline for execution, and the primary parties responsible. (See Appendix E for sample.)

**Applicant Name:** \_\_\_\_\_

## **BUDGET SUMMARY – PHASE II**

Complete the budget chart below to indicate the income and expenses you have budgeted for Phase II Capacity Building activities. The figures you enter for Phase I should be actual expense and income for the activities that occurred in Phase I. Round all figures to the nearest dollar; no decimals. If you would like a definition of any of the categories below, contact the IAC.

Projected Expenses	Phase I	Phase II	Total
1. Personnel-Administrative			
2. Personnel-Artistic			
3. Personnel-Technical/Production			
4. Outside Artistic Fees/Services			
5. Outside Other Fees/Services			
6. Space Rental			
7. Travel/Transportation			
8. Marketing/Promotional			
9. Remaining Operating Expenses			
10. Capital Expenditures-Acquisitions			
11. Capital Expenditures-Other			
12. Total Cash Expenses			
13. Total In-Kind			
14. TOTAL EXPENSES			
Projected Income	Phase I	Phase II	Total
15. Admissions			
16. Contracted Services Revenue			
17. Other Revenue			
18. Corporate Support			
19. Foundation Support			
20. Other Private Support			
21. Gov't Support-Federal			
22. Gov't Support-Regional/State			
23. Gov't Support-Local			
24. Other Applicant Cash			
25. Total non-IAC/CBP (lines 15 - 24)			
26. IAC/CBP Request			
27. Total Cash Income (25 + 26)			
28. Total In-Kind (same as 13)			
29. TOTAL INCOME			

## **BUDGET LINE ITEM DETAIL**



Provide a detailed line-by-line breakdown of the budget, identifying what expenses and income (by source) are included in each segment of the budget above. The explanation must provide sufficient detail so that the reader can easily understand how costs were determined and what are the expected sources of support (in addition to the IAC grant). Follow the same sequence as the chart above.





**WHAT TO SUBMIT – CHECKLIST FOR PHASE II APPLICATIONS**

**Phase II applications are due by the date specified on the Capacity Building timetable you submitted with your Phase I application.**

Applicants must provide complete information on all forms, authorized signatures where indicated, assurances that the application is legally binding, and supporting materials (as requested) to allow for a uniform review.

Submit requested materials only. Please do not submit additional materials that have not been requested. Submitting additional information can make your application ineligible. Unless specified, copies should be two-sided with all pages labeled and numbered. Staple each application packet together in upper left-hand corner.

---

**NUMBER OF COPIES**

For each item, if the number of required copies is not specified, provide 12 copies. Items identified as “1-copy” should be placed with the application containing the original signature of the authorizing official.

---

**ALL APPLICANTS** should provide:

- ☐ 1. Application (printed pages 1 through 7).
- ☐ 2. Annual financial statement for most recently completed year.
- ☐ 3. Governing board roster with names, offices, terms of office, addresses, and affiliations.
- ☐ 4. Organizational Assessment Report completed in Phase I
- ☐ 5. Capacity Building Implementation Plan completed in Phase I
- ☐ 6. Resume of project manager
- ☐ 7. Consultant’s resume, bio, or vitae.
- ☐ 8. Consultant’s proposal for Phase II
- ☐ 9. Planning timetable for Phase II



## **WORKING WITH CONSULTANTS**

### ***What is Consulting?***

Consulting can be defined as “professional work performed by trained and experienced people whose aim is to help the client.” A good consultant can diagnose problems, recommend solutions and, when necessary, help implement those solutions. The consultant’s principal value is the ability to tailor analyses and advice to the particular client’s situation.

### ***Why Hire a Consultant?***

- Objectivity – an outsider’s view uninfluenced by internal politics or previous commitments.
- A new perspective – sees things in a new light.
- Expertise – brings specialized experience and training.
- Regeneration – education on latest concepts.

### ***How to Locate a Consultant?***

- Professional association listing
- Trusted friends and colleagues

### ***How to Select a Consultant?***

The Executive Director can take the following steps, alone or in conjunction with representatives from the planning team.

- Identify your needs  
Determine the nature and general scope of the project before contacting prospective consultants.
- Review candidates  
Review the qualifications and experience of several consultants in relation to the project.
- Meet the candidates  
Hold preliminary discussions with a handful of candidates.
- Request proposals  
Have each prospective consultant discuss in writing the project and his/her approach to it.
- Check references  
Review reports of previous consultant work; talk with individuals who have hired and actually worked with the consultant.
- Study proposals  
Weigh the information from each consultant carefully. Look for understanding of the problem, probable benefits and costs of the suggested approach, and the experience and skills of the consultant.
- Conduct final negotiations with the selected consultant  
Negotiate a concise written contract outlining fees and services. Include: a definition of the project; the objectives and scope of the project; a recommended program for accomplishing the work; a description of the methods to be used; a time schedule; and an estimate of fees and the method of payment.

For income tax purposes, assure that contract wording makes clear that the consultant is an independent Consultant not an employee. Many consultants will have their own standard contract. If this is presented, review it carefully to assure that the wording meets or can be revised to meet the needs of both parties.

### ***The Working Relationship***

The client-consultant relationship will determine the success of the engagement. A productive engagement requires that each party learn the other party's needs. To establish an effective relationship:

- Discuss the basic motivations of the project with the consultant
- Announce the arrival of the consultant to all personnel who will work with him/her
- Inform the consultant of the climate in which he/she can expect to work
- Provide management support for the project
- Respect the fact that the consultant is an independent agent
- Guide, coordinate, and keep in touch with the project as it progresses

### ***Evaluating the Consultant***

An important measure of the value of the consultant's assistance is the number of recommendations that are implemented. Other questions to consider are:

- Did the consultant actually do what was outlined in the contract agreement?
- Did the consultant follow the proposed timetable?
- Did you get the services of the consultant with whom you contracted, or were several junior partners delegated responsibility for your projects?
- Did the consultant work effectively with the organization's board, staff, and other personnel?
- Did the consultant maintain an open-minded, professional posture in analyzing and studying your situation?
- Were the special talents, experience, and knowledge of the consultant applied?
- Were sound facts presented to substantiate judgments?
- How effective was the presentation of findings to board and staff?
- Were the consultant's recommendations and methods appropriate and feasible for your organization?

## **SAMPLE CONSULTANT PROPOSAL**

Name and Title

Telephone

Organization

E-mail

Address: City, State, Zip

Web site

Dear Ms./Mr.:

Pursuant to your request, (Consultant) is submitting herein our proposal to complete a (name of project) for the (Client).

### ***BACKGROUND***

Based on our previous discussions and meetings, we understand that the (Client) wishes to participant in the Indiana Arts Commission's Capacity Building Program to evaluate the organization's health and viability, and to determine and implement strategies for more effective governance, management, and program operations.

The organizational assessment will be conducted by a planning team utilizing the IAC organizational assessment guide and other organizational development tools as deemed necessary by the organization. The board of directors wants to complete the assessment by (date) and adopt a capacity building plan by (date).

### ***SCOPE OF SERVICES***

(Consultant) proposes to facilitate the organizational assessment and capacity building plan development processes, providing the following deliverables:

- Discuss with the IAC the Capacity Building Program
- Assist organization to assemble the planning team including conceptualizing the team charge, membership criteria, and member selection
- Finalize the project work plan
- Coordinate all planning activities
- Facilitate meetings of the planning team
- Facilitate at least two focus group meetings
- Conduct at least five key informant interviews
- Develop a written report documenting the organizational assessment process, findings, and implications for organizational change
- Facilitate a joint board / planning team retreat to develop the major themes of the capacity building plan
- Develop the initial and final versions of the capacity building plan, including priorities, goals, strategies, dates for accomplishment, and responsible parties

### ***QUALIFICATIONS OF SERVICE PROVIDER***

(Consultant) will provide the services. (Consultant) holds a joint MPA/MBA from Case Western Reserve University and has over 25 years experience in community, organizational, and project planning. He is a former Vice President for Strategic Planning for the largest private hospital in Ohio and is a current faculty member of the Indiana University Fund Raising School. As a former Director of Administration for the Ohio Arts Council, (Consultant) was responsible for the financial management of over \$50 million dollars in public arts funding. A current board member of the Indiana Advocates for the Arts, (Consultant) is a recipient of his alma mater's "Distinguished Alumnus Award" recognizing his many volunteer and civic activities. See attached vitae.

## **FEE FOR SERVICES**

(Consultant) will perform this project for (total amount) inclusive.

Advisory Committee Development	(#) hours
Work Plan Development	(#) hours
Assessment Process	(#) hours
Focus Group Meetings	(#) hours
Key Informant Interviews	(#) hours
Planning Retreat	(#) hours
Assessment Report	(#) hours
Capacity Building Report	(#) hours

TOTAL ( # ) hours @ (\$) per hour = (total amount)

If a significant change in scope of services is necessary, further discussions may be warranted concerning estimated fees.

## **ACCEPTANCE**

In the event the (Client) approves (Consultant) for this engagement, please so indicate by signing, dating, and returning two copies of the enclosed Independent Consultant Agreement. I will return one signed copy to you.

Consultant Name and Title and Date:

## **SAMPLE CONSULTANT CONTRACT**

### **Independent Consultant Agreement**

This Agreement is made between the (Organization), with a principal place of business at street, city, state, zip code, and (Consultant), with a principal place of business at street, city, state, and zip code.

#### ***Services to be performed***

Consultant agrees to perform the following services on Organization's behalf:

Complete an organizational needs assessment of (Organization) by (date) and in accordance with Indiana Arts Commission standards for organizational assessment.

Deliverables:

- Analyze existing data
- Identify additional data to be collected and devise strategies for expanding input
- Complete data collection
- Develop a written report documenting the organizational assessment process, findings, and implications for the organization

#### ***Payment***

In consideration for the services to be performed by Consultant, Organization agrees to pay Consultant (\$ amount).

#### ***Terms of Payment***

Consultant shall be paid (\$ amount) upon signing this Agreement and the remaining amount due when Consultant completes the services and submits an invoice. Organization shall pay Consultant within 30 days from the date of Consultant's invoice.

#### ***Late Fees***

Late payments by Organization shall be subject to late penalty fees of (amount or %) per month from the due date until the amount is paid.

#### ***Expenses***

Consultant shall be responsible for all expenses incurred while performing services under this Agreement. However, Organization shall reimburse Consultant for all reasonable travel and living expenses necessarily incurred by Consultant while away from Consultant's regular place of business to perform services under this Agreement. Consultant shall submit an itemized statement of such expenses. Organization shall pay Consultant within 30 days from the date of each statement. Organization shall also reimburse Consultant for the following expenses that are directly attributable to work performed under this Agreement:

- travel expenses other than normal commuting, including airfares, rental vehicles, and highway mileage in company or personal vehicles at (\$ amount) per mile
- telephone, fax, and online charges
- postage and courier services
- printing and reproduction
- graphic artist services

- computer services, and
- other expenses resulting from the work performed under this Agreement.

Consultant shall submit an itemized statement of Consultant's expenses. Organization shall pay Consultant within 30 days from the date of each statement.

### ***Materials***

Consultant will furnish all materials and equipment used to provide the services required by this Agreement.

### ***Term of Agreement***

This Agreement will become effective when signed by both parties and will end no later than (date).

### ***Terminating the Agreement***

With reasonable cause, either party may terminate this Agreement effective immediately by giving written notice of termination for cause. Reasonable cause includes a material violation of this Agreement, or non-payment of Consultant's compensation after 20 days written demand for payment. Consultant shall be entitled to full payment for services performed prior to the effective date of termination.

### ***Independent Consultant Status***

Consultant is an independent Consultant, not Organization's employee. Consultant's employees or sub-contractors are not Organization's employees. Consultant and Organization agree to the following rights consistent with an independent consultant relationship.

- Consultant has the right to perform services for others during the term of this Agreement.
- Consultant has the sole right to control and direct the means, manner and methods by which the services required by this Agreement will be performed.
- Consultant has the right to hire assistants as sub-contractors, or to use employees to provide the services required by this Agreement.
- The Consultant or Consultant's employees or sub-contractors shall perform the services required by this Agreement; Organization shall not hire, supervise or pay any assistants to help Consultant.
- Neither Consultant nor Consultant's employees or sub-contractors shall receive any training from Organization in the skills necessary to perform the services required by this Agreement.
- Organization shall not require Consultant or Consultant's employees or sub-contractor to devote full time to performing the services required by this Agreement.
- Neither Consultant nor Consultant's employees or sub-contractors are eligible to participate in any employee pension, health, vacation pay, sick pay or other fringe benefit plan of Organization.

### ***Intellectual Property Ownership***

Consultant grants to Organization a royalty-free nonexclusive license to use anything created or developed by Consultant for Organization under this Agreement (Contract Property). The license shall have a perpetual term and the Organization may not transfer it. Consultant shall retain all copyrights, patent rights and other intellectual property rights to the Contract Property.

### ***Confidentiality***

During the term of this Agreement and for six months afterward, Consultant will use reasonable care to prevent the unauthorized use or dissemination of Organization's confidential information. Reasonable care means at least the same degree of care Consultant uses to protect its own confidential information from unauthorized disclosure. Confidential information is limited to information clearly marked as confidential, or disclosed orally and summarized and identified as confidential in a writing delivered to Consultant within 15 days of disclosure. Confidential information does not include information that:



- the Consultant knew before Organization disclosed it
- is or becomes public knowledge through no fault of Consultant
- the Consultant obtains from sources other than Organization who owe no duty of confidentiality to Organization, or
- the Consultant independently develops.

### ***Local, State and Federal Taxes***

Consultant shall pay all income taxes, and FICA (Social Security and Medicare taxes) incurred while performing services under this Agreement. Organization will not:

- withhold FICA from Consultant's payments or make FICA payments on Consultant's behalf
- make state or federal unemployment compensation contributions on Consultant's behalf, or
- withhold state or federal income tax from Consultant's payments.

The charges included here do not include taxes. If Consultant is required to pay any federal, state or local sales, use, property or value added taxes based on the services provided under this Agreement, the taxes shall be separately billed to Organization. Consultant shall not pay any interest or penalties incurred due to late payment or nonpayment of any taxes by Organization.

### ***Notices***

All notices and other communications in connection with this Agreement shall be in writing and shall be considered given as follows:

- when delivered personally to the recipient's address as stated on this Agreement
- three days after being deposited in the United States mail, with postage prepaid to the recipient's address as stated on this Agreement, or
- when sent by fax or telex to the last fax or telex number of the recipient known to the person giving notice. Notice is effective upon receipt provided that a duplicate copy of the notice is promptly given by first class mail, or the recipient delivers a written confirmation of receipt.

### ***No Partnership***

This Agreement does not create a partnership relationship. Neither party has authority to enter into contracts on the other's behalf.

### ***Applicable Law***

This Agreement will be governed by the laws of the state of Indiana.

### ***Exclusive Agreement***

This is the entire Agreement between Consultant and Organization.

### ***Dispute Resolution***

If a dispute arises under this Agreement, the parties agree to first try to resolve the dispute with the help of a mutually agreed-upon mediator in (location). Any costs and fees other than attorney fees associated with the mediation shall be shared equally by the parties. If it proves impossible to arrive at a mutually satisfactory solution through mediation, the parties agree to submit the dispute to binding arbitration in (location) under the rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction to do so. However, the complaining party may refuse to submit the dispute to mediation or arbitration and instead bring an action in an appropriate Small Claims Court.

## ***Contract Changes***

Organization and Consultant recognize that:

- Consultant's original cost and time estimates may be too low due to unforeseen events, or to factors unknown to Consultant when this Agreement was made
- Organization may desire a mid-project change in Consultant's services that would add time and cost to the project and possibly inconvenience Consultant, or
- Other provisions of this Agreement may be difficult to carry out due to unforeseen circumstances.

If any intended changes or any other events beyond the parties' control require adjustments to this Agreement, the parties shall make a good faith effort to agree on all necessary particulars. Such agreements shall be put in writing, signed by the parties and added to this Agreement.

## ***Attorneys' Fees***

If any legal action is necessary to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney fees, costs and expenses in addition to any other relief to which he or she may be entitled.

## ***Signatures***

Organization:

By: \_\_\_\_\_  
(Signature) (Typed or Printed Name)

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Consultant:

By: \_\_\_\_\_  
(Signature) (Typed or Printed Name)

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Consultant Taxpayer ID Number:

## **SAMPLE PLANNING TEAM CHARGE**

### ***Background***

Following five years of operation, the board of directors of the (name of organization) will conduct a systematic organizational assessment in order to strengthen the effectiveness of the organization's programs and services. The assessment's findings will be used to guide necessary changes in the areas of governance and management and will inform ongoing strategic planning efforts.

### ***Charge***

The Planning Team is an ad hoc committee of the (name of organization) board of directors. The Team will conduct an organizational assessment and make recommendations to the board of directors regarding needed changes in governance and management. The Team is further charged with developing and recommending to the board, a capacity building plan that specifies the actions, timetable, and persons responsible for implementing organizational development activities.

### ***Membership***

The chairperson of the board will appoint the team's chair and members. The Team Chair will be a current member of the board. The Team will, at a minimum, be composed of (#) members of the board of directors, appointed by the chairperson of the board. The executive director of the (name of organization) will also be a member of the Team. Additional at-large members, representing key stakeholders (donors, members, artists, etc.) may be appointed at the discretion of the board chairperson.

### ***Scope of Work***

The Team's work will encompass the areas noted above, as well as any other activities needed to accomplish its charge. Specifically, the Team will:

- gather and review pertinent data and information about the organization and its environment;
- use a standard assessment tool, approved by the Indiana Arts Commission, to complete the assessment;
- identify strengths, weaknesses, and critical issues facing the organization;
- report findings and recommendations to the board of directors; and
- develop and recommend to the board a capacity building plan based on findings from the assessment.

### ***Timetable***

The Team will meet at least (#) times to accomplish its charge. Assessment findings and recommendations will be presented to the board at its (month/year) meeting. The capacity building plan will be completed by (month/year).

### ***Personnel***

The Executive Director of the (name of organization) will manage the capacity building process. An independent consultant will be engaged to guide the assessment and plan development process.

### ***Expenditures***

The expenses for the assessment and plan development process will be covered in part by a grant from the Indiana Arts Commission and matching funds from the organization.

**SAMPLE PLANNING TIMETABLE – for Phase I**

<u>TASK</u>	<u>DEADLINE</u>	<u>RESPONSIBLE</u>
1. Decide to participate in capacity building process	Month/Year	Board Executive Director
2. Consult with IAC staff	Jan./Feb. 2001	Executive Director
3. Select consultant	Jan./Feb.	Executive Director Board
4. Submit Notice of Intent	Feb. 15	Executive Director
5. Consultant and staff discuss CBP program with IAC staff	Feb./March	Executive Director and Consultant
6. Develop IAC Capacity Building application	Feb./March	Executive Director Board
7. Submit IAC Capacity Building application	April 2	Executive Director
8. Hire consultant	June	Executive Director Board
9. Grant period begins	July 1	
10. Appoint planning team	April/May	Board
11. Orient planning team	June/July	Consultant Executive Director
12. Submit Interim Report to IAC	Jan. 1, 2002	Executive Director
13. Finalize planning timetable, meetings, etc.	Month/Year	Planning team Consultant
14. Complete organizational assessment	Month/Year	Planning team Consultant
15. Present assessment findings to Board	Month/Year	Consultant Planning team
16. Discuss and prioritize issues, sequence order in which to address issues, suggest strategies	Month/Year	Board
17. Develop plan format and draft capacity building plan	Month/Year	Planning team Consultant
18. Present draft plan to Board	Month/Year	Consultant Planning team
19. Review, revise, and adopt plan	Month/Year	Board
20. Finalize plan based on Board input	Month/Year	Consultant Planning team
21. Develop and submit Phase II application	Month/Year	Executive Director Board
22. Submit Interim Report to IAC	July 1, 2002	Executive Director
23. Submit Interim Report to IAC	Jan. 1, 2002	Executive Director
24. Grant period ends	June 30, 2003	
25. Submit Final Grant Report to IAC	July 31, 2003	Executive Director

## **GUIDELINES FOR IN-KIND INCOME AND EXPENSES**

Contact your accountant or the IAC with questions regarding budgeting in-kind expenses and income. Because not-for-profit organizations often receive donated materials and services (“in-kind” contributions), special accounting guidelines have been established to deal with these items. **These guidelines should be followed when the applicant includes in-kind match in the proposed budget.**

- Donated MATERIALS of significance should be reported at their fair market value if the recipient organization has an objective, measurable basis for assigning value. (Usually the value is assigned by the donor.)
- Donated SERVICES of significance should be reported if: 1) they are a normal part of a project and would be otherwise performed by paid personnel; 2) the organization exercises control over the duties of the donor; and 3) there is a measurable basis for assigning a value to the service being donated.
- The following **CANNOT** be claimed as in-kind services: 1) Services designed to be provided by volunteers; 2) Periodic volunteer services for fund raising; 3) Professional personnel engaged in research or training activities without pay or with a nominal allowance; and 4) The value of time donated by the organization’s board of directors and board committee members in carrying out governance activities.
- In-kind donations of materials and services must be able to be audited with a written record of each contribution. The written record should include: organization name, donor name and signature, date, description of the donated item or service, the value of the donated item or service (as assigned by the donor) and the signature of the person receiving the donation on behalf of the organization. Grantees using in-kind as a portion of match will be required to submit documentation with their final grant reports.

